

AMENDED IN ASSEMBLY APRIL 16, 2001
AMENDED IN ASSEMBLY MARCH 26, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 324

Introduced by Assembly Member Corbett

February 16, 2001

An act to amend Sections 12071, 12076, 12086, ~~12098~~, 12096, 12098, ~~12231~~, 12233, 12286, 12287, and 12305 of, and to add Section 12071.2 to, the Penal Code, relating to firearms dealers.

LEGISLATIVE COUNSEL'S DIGEST

AB 324, as amended, Corbett. Firearms dealers.

Existing law requires the Department of Justice to keep a centralized list of licensed firearms dealers, as specified. Existing law also provides that the department may remove from this list any person who knowingly or with gross negligence violates certain provisions regulating firearms dealers.

This bill would provide that, in the alternative, the department may impose a fine not to exceed \$1,000 for a first violation, or a fine not to exceed \$2,000 for a second or subsequent violation. The funds from these fines would be deposited in the Dealer's Record of Sale Special Account. *Failure to pay the required fine would result in the removal of the firearms dealer from the centralized list of firearms dealers.*

Existing law provides that the Department of Justice may inspect firearms dealers to ensure compliance with specified provisions of law, and that the department may assess an annual fee of \$85 to cover the costs of those inspections.

This bill would reorganize these provisions, ~~increase that fee to \$250 annually,~~ and permit the fee to be assessed for *the costs of maintaining the list, including inspections and enforcement activities*, as specified. Funds collected from the fees would be deposited in the Dealer's Record of Sale Special Account. *The bill would permit the department to assess an additional annual fee not to exceed \$25 to cover the reasonable cost of enforcement activities, as specified.*

Existing law provides for the issuance of permits or licenses in regard to machineguns, firearms manufacture, short-barrelled shotguns and short-barrelled rifles, assault weapons manufacture, and destructive devices, as specified.

~~This bill would create an inspection fee, not to exceed \$250, as specified, for purposes of inspecting the records, places of business, and conducting enforcement activities, as specified, in regard to these permittees and licensees.~~

The bill would permit the department to assess an additional annual fee not to exceed \$25 to cover the reasonable cost of enforcement activities, as specified. This bill would also provide for revocation of the permit or license, as specified, and would further provide that the Department of Justice could impose a fine not to exceed \$1,000 for a first violation, or a fine not to exceed \$2,000 for a second or subsequent violation in regard to these permits or licenses, as specified. *Failure to pay a required fine would result in the revocation of the permit or license.* The funds from the inspection fees and fines would be deposited in the Dealer's Record of Sale Special Account.

The bill would require the department to report to the Legislature not later than December 31, 2003, regarding the effect of these provisions in terms of the change in inspections and on the use of penalties and increased revenue to the Dealer's Record of Sale Special Account.

This bill would also make additional technical changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12071 of the Penal Code is amended to
- 2 read:
- 3 12071. (a) (1) As used in this chapter, the term "licensee,"
- 4 "person licensed pursuant to Section 12071," or "dealer" means
- 5 a person who has all of the following:

1 (A) A valid federal firearms license.

2 (B) Any regulatory or business license, or licenses, required by
3 local government.

4 (C) A valid seller's permit issued by the State Board of
5 Equalization.

6 (D) A certificate of eligibility issued by the Department of
7 Justice pursuant to paragraph (4).

8 (E) A license issued in the format prescribed by paragraph (6).

9 (F) Is among those recorded in the centralized list specified in
10 subdivision (e).

11 (2) The duly constituted licensing authority of a city, county, or
12 a city and county shall accept applications for, and may grant
13 licenses permitting, licensees to sell firearms at retail within the
14 city, county, or city and county. The duly constituted licensing
15 authority shall inform applicants who are denied licenses of the
16 reasons for the denial in writing.

17 (3) No license shall be granted to any applicant who fails to
18 provide a copy of his or her valid federal firearms license, valid
19 seller's permit issued by the State Board of Equalization, and the
20 certificate of eligibility described in paragraph (4).

21 (4) A person may request a certificate of eligibility from the
22 Department of Justice and the Department of Justice shall issue a
23 certificate to an applicant if the department's records indicate that
24 the applicant is not a person who is prohibited from possessing
25 firearms.

26 (5) The department shall adopt regulations to administer the
27 certificate of eligibility program and shall recover the full costs of
28 administering the program by imposing fees assessed to applicants
29 who apply for those certificates.

30 (6) A license granted by the duly constituted licensing
31 authority of any city, county, or city and county, shall be valid for
32 not more than one year from the date of issuance and shall be in
33 one of the following forms:

34 (A) In the form prescribed by the Attorney General.

35 (B) A regulatory or business license that states on its face
36 "Valid for Retail Sales of Firearms" and is endorsed by the
37 signature of the issuing authority.

38 (C) A letter from the duly constituted licensing authority
39 having primary jurisdiction for the applicant's intended business
40 location stating that the jurisdiction does not require any form of

1 regulatory or business license or does not otherwise restrict or
2 regulate the sale of firearms.

3 (7) Local licensing authorities may assess fees to recover their
4 full costs of processing applications for licenses.

5 (b) A license is subject to forfeiture for a breach of any of the
6 following prohibitions and requirements:

7 (1) (A) Except as provided in subparagraphs (B) and (C), the
8 business shall be conducted only in the buildings designated in the
9 license.

10 (B) A person licensed pursuant to subdivision (a) may take
11 possession of firearms and commence preparation of registers for
12 the sale, delivery, or transfer of firearms at gun shows or events,
13 as defined in Section 178.100 of Title 27 of the Code of Federal
14 Regulations, or its successor, if the gun show or event is not
15 conducted from any motorized or towed vehicle. A person
16 conducting business pursuant to this subparagraph shall be entitled
17 to conduct business as authorized herein at any gun show or event
18 in the state without regard to the jurisdiction within this state that
19 issued the license pursuant to subdivision (a), provided the person
20 complies with (i) all applicable laws, including, but not limited to,
21 the waiting period specified in subparagraph (A) of paragraph (3),
22 and (ii) all applicable local laws, regulations, and fees, if any.

23 A person conducting business pursuant to this subparagraph
24 shall publicly display his or her license issued pursuant to
25 subdivision (a), or a facsimile thereof, at any gun show or event,
26 as specified in this subparagraph.

27 (C) A person licensed pursuant to subdivision (a) may engage
28 in the sale and transfer of firearms other than pistols, revolvers, or
29 other firearms capable of being concealed upon the person, at
30 events specified in subdivision (g) of Section 12078, subject to the
31 prohibitions and restrictions contained in that subdivision.

32 A person licensed pursuant to subdivision (a) also may accept
33 delivery of firearms other than pistols, revolvers, or other firearms
34 capable of being concealed upon the person, outside the building
35 designated in the license, provided the firearm is being donated for
36 the purpose of sale or transfer at an auction or similar event
37 specified in subdivision (g) of Section 12078.

38 (D) The firearm may be delivered to the purchaser, transferee,
39 or person being loaned the firearm at one of the following places:

40 (i) The building designated in the license.



1 (ii) The places specified in subparagraph (B) or (C).

2 (iii) The place of residence of, the fixed place of business of,
3 or on private property owned or lawfully possessed by, the
4 purchaser, transferee, or person being loaned the firearm.

5 (2) The license or a copy thereof, certified by the issuing
6 authority, shall be displayed on the premises where it can easily be
7 seen.

8 (3) No firearm shall be delivered:

9 (A) Within 10 days of the application to purchase, or, after
10 notice by the department pursuant to subdivision (d) of Section
11 12076, within 10 days of the submission to the department of any
12 correction to the application, or within 10 days of the submission
13 to the department of any fee required pursuant to subdivision (e)
14 of Section 12076, whichever is later.

15 (B) Unless unloaded and securely wrapped or unloaded and in
16 a locked container.

17 (C) Unless the purchaser, transferee, or person being loaned the
18 firearm presents clear evidence of his or her identity and age to the
19 dealer.

20 (D) Whenever the dealer is notified by the Department of
21 Justice that the person is in a prohibited class described in Section
22 12021 or 12021.1 of this code or Section 8100 or 8103 of the
23 Welfare and Institutions Code.

24 (4) No pistol, revolver, or other firearm or imitation thereof
25 capable of being concealed upon the person, or placard advertising
26 the sale or other transfer thereof, shall be displayed in any part of
27 the premises where it can readily be seen from the outside.

28 (5) The licensee shall agree to and shall act properly and
29 promptly in processing firearms transactions pursuant to Section
30 12082.

31 (6) The licensee shall comply with Sections 12073, 12076, and
32 12077, subdivisions (a) and (b) of Section 12072, and subdivision
33 (a) of Section 12316.

34 (7) The licensee shall post conspicuously within the licensed
35 premises the following warnings in block letters not less than one
36 inch in height:

37 (A) "IF YOU KEEP A LOADED FIREARM WITHIN ANY
38 PREMISES UNDER YOUR CUSTODY OR CONTROL, AND
39 A PERSON UNDER 16 OBTAINS IT AND USES IT,
40 RESULTING IN INJURY OR DEATH, OR CARRIES IT TO A

1 PUBLIC PLACE, YOU MAY BE GUILTY OF A
2 MISDEMEANOR OR A FELONY UNLESS YOU STORED
3 THE FIREARM IN A LOCKED CONTAINER OR LOCKED
4 THE FIREARM WITH A LOCKING DEVICE, TO KEEP IT
5 FROM TEMPORARILY FUNCTIONING.”

6 (B) “IF YOU KEEP A PISTOL, REVOLVER, OR OTHER
7 FIREARM CAPABLE OF BEING CONCEALED UPON THE
8 PERSON, WITHIN ANY PREMISES UNDER YOUR
9 CUSTODY OR CONTROL, AND A PERSON UNDER 16
10 GAINS ACCESS TO THE FIREARM, AND CARRIES IT
11 OFF-PREMISES, OR YOU ARE A PARENT OR LEGAL
12 GUARDIAN, WHO KNOWS OR REASONABLY SHOULD
13 KNOW THAT YOUR CHILD UNDER 16 HAS GAINED
14 ACCESS TO A FIREARM, AND THE CHILD CARRIES IT
15 OFF-PREMISES, YOU MAY BE GUILTY OF A
16 MISDEMEANOR, UNLESS YOU STORED THE FIREARM IN
17 A LOCKED CONTAINER, OR LOCKED THE FIREARM
18 WITH A LOCKING DEVICE, TO KEEP IT FROM
19 TEMPORARILY FUNCTIONING.”

20 (C) “DISCHARGING FIREARMS IN POORLY
21 VENTILATED AREAS, CLEANING FIREARMS, OR
22 HANDLING AMMUNITION MAY RESULT IN EXPOSURE
23 TO LEAD, A SUBSTANCE KNOWN TO CAUSE BIRTH
24 DEFECTS, REPRODUCTIVE HARM, AND OTHER SERIOUS
25 PHYSICAL INJURY. HAVE ADEQUATE VENTILATION AT
26 ALL TIMES. WASH HANDS THOROUGHLY AFTER
27 EXPOSURE.”

28 (D) “FEDERAL REGULATIONS PROVIDE THAT IF YOU
29 DO NOT TAKE PHYSICAL POSSESSION OF THE FIREARM
30 THAT YOU ARE ACQUIRING OWNERSHIP OF WITHIN 30
31 DAYS AFTER YOU COMPLETE THE INITIAL
32 BACKGROUND CHECK PAPERWORK, THEN YOU HAVE
33 TO GO THROUGH THE BACKGROUND CHECK PROCESS
34 A SECOND TIME IN ORDER TO TAKE PHYSICAL
35 POSSESSION OF THAT FIREARM.”

36 (E) “NO PERSON SHALL MAKE AN APPLICATION TO
37 PURCHASE MORE THAN ONE PISTOL, REVOLVER, OR
38 OTHER FIREARM CAPABLE OF BEING CONCEALED
39 UPON THE PERSON WITHIN ANY 30-DAY PERIOD AND
40 NO DELIVERY SHALL BE MADE TO ANY PERSON WHO



1 HAS MADE AN APPLICATION TO PURCHASE MORE
2 THAN ONE PISTOL, REVOLVER, OR OTHER FIREARM
3 CAPABLE OF BEING CONCEALED UPON THE PERSON
4 WITHIN ANY 30-DAY PERIOD.”

5 (8) Commencing April 1, 1994, no pistol, revolver, or other
6 firearm capable of being concealed upon the person shall be
7 delivered unless the purchaser, transferee, or person being loaned
8 the firearm presents to the dealer a basic firearms safety certificate.

9 (9) Commencing July 1, 1992, the licensee shall offer to
10 provide the purchaser or transferee of a firearm, or person being
11 loaned a firearm, with a copy of the pamphlet described in Section
12 12080 and may add the cost of the pamphlet, if any, to the sales
13 price of the firearm.

14 (10) The licensee shall not commit an act of collusion as
15 defined in Section 12072.

16 (11) The licensee shall post conspicuously within the licensed
17 premises a detailed list of each of the following:

18 (A) All charges required by governmental agencies for
19 processing firearm transfers required by Sections 12076, 12082,
20 and 12806.

21 (B) All fees that the licensee charges pursuant to Sections
22 12082 and 12806.

23 (12) The licensee shall not misstate the amount of fees charged
24 by a governmental agency pursuant to Sections 12076, 12082, and
25 12806.

26 (13) The licensee shall report the loss or theft of any firearm
27 that is merchandise of the licensee, any firearm that the licensee
28 takes possession of pursuant to Section 12082, or any firearm kept
29 at the licensee’s place of business within 48 hours of discovery to
30 the appropriate law enforcement agency in the city, county, or city
31 and county where the licensee’s business premises are located.

32 (14) In a city and county, or in the unincorporated area of a
33 county with a population of 200,000 persons or more according to
34 the most recent federal decennial census or within a city with a
35 population of 50,000 persons or more according to the most recent
36 federal decennial census, any time the licensee is not open for
37 business, the licensee shall store all firearms kept in his or her
38 licensed place of business using one of the following methods as
39 to each particular firearm:

1 (A) Store the firearm in a secure facility that is a part of, or that
2 constitutes, the licensee's business premises.

3 (B) Secure the firearm with a hardened steel rod or cable of at
4 least one-eighth inch in diameter through the trigger guard of the
5 firearm. The steel rod or cable shall be secured with a hardened
6 steel lock that has a shackle. The lock and shackle shall be
7 protected or shielded from the use of a bolt cutter and the rod or
8 cable shall be anchored in a manner that prevents the removal of
9 the firearm from the premises.

10 (C) Store the firearm in a locked fireproof safe or vault in the
11 licensee's business premises.

12 (15) The licensing authority in an unincorporated area of a
13 county with a population less than 200,000 persons according to
14 the most recent federal decennial census or within a city with a
15 population of less than 50,000 persons according to the most recent
16 federal decennial census may impose the requirements specified
17 in paragraph (14).

18 (16) Commencing January 1, 1994, the licensee shall, upon the
19 issuance or renewal of a license, submit a copy of the same to the
20 Department of Justice.

21 (17) The licensee shall maintain and make available for
22 inspection during business hours to any peace officer, authorized
23 local law enforcement employee, or Department of Justice
24 employee designated by the Attorney General, upon the
25 presentation of proper identification, a firearms transaction
26 record.

27 (18) (A) On the date of receipt, the licensee shall report to the
28 Department of Justice in a format prescribed by the department the
29 acquisition by the licensee of the ownership of a pistol, revolver,
30 or other firearm capable of being concealed upon the person.

31 (B) The provisions of this paragraph shall not apply to any of
32 the following transactions:

33 (i) A transaction subject to the provisions of subdivision (n) of
34 Section 12078.

35 (ii) The dealer acquired the firearm from a wholesaler.

36 (iii) The dealer is also licensed as a secondhand dealer pursuant
37 to Article 4 (commencing with Section 21625) of Chapter 9 of
38 Division 8 of the Business and Professions Code.

39 (iv) The dealer acquired the firearm from a person who is
40 licensed as a manufacturer or importer to engage in those activities

1 pursuant to Chapter 44 (commencing with Section 921) of Title 18
2 of the United States Code and any regulations issued pursuant
3 thereto.

4 (v) The dealer acquired the firearm from a person who resides
5 outside this state who is licensed pursuant to Chapter 44
6 (commencing with Section 921) of Title 18 of the United States
7 Code and any regulations issued pursuant thereto.

8 (19) The licensee shall forward in a format prescribed by the
9 Department of Justice, information as required by the department
10 on any firearm that is not delivered within the time period set forth
11 in Section 178.102 (c) of Title 27 of the Code of Federal
12 Regulations.

13 (c) (1) As used in this article, “clear evidence of his or her
14 identity and age” means either of the following:

15 (A) A valid California driver’s license.

16 (B) A valid California identification card issued by the
17 Department of Motor Vehicles.

18 (2) As used in this article, a “basic firearms safety certificate”
19 means a basic firearms certificate issued to the purchaser,
20 transferee, or person being loaned the firearm by the Department
21 of Justice pursuant to Article 8 (commencing with Section 12800)
22 of Chapter 6.

23 (3) As used in this section, a “secure facility” means a building
24 that meets all of the following specifications:

25 (A) All perimeter doorways shall meet one of the following:

26 (i) A windowless steel security door equipped with both a dead
27 bolt and a doorknob lock.

28 (ii) A windowed metal door that is equipped with both a dead
29 bolt and a doorknob lock. If the window has an opening of five
30 inches or more measured in any direction, the window shall be
31 covered with steel bars of at least one-half inch diameter or metal
32 grating of at least nine gauge affixed to the exterior or interior of
33 the door.

34 (iii) A metal grate that is padlocked and affixed to the licensee’s
35 premises independent of the door and doorframe.

36 (B) All windows are covered with steel bars.

37 (C) Heating, ventilating, air-conditioning, and service
38 openings are secured with steel bars, metal grating, or an alarm
39 system.

1 (D) Any metal grates have spaces no larger than six inches wide
2 measured in any direction.

3 (E) Any metal screens have spaces no larger than three inches
4 wide measured in any direction.

5 (F) All steel bars shall be no further than six inches apart.

6 (4) As used in this section, “licensed premises,” “licensed
7 place of business,” “licensee’s place of business,” or “licensee’s
8 business premises” means the building designated in the license.

9 (5) For purposes of paragraph (17) of subdivision (b):

10 (A) A “firearms transaction record” is a record containing the
11 same information referred to in subdivision (a) of Section
12 178.124, Section 178.124a, and subdivision (e) of Section
13 178.125 of Title 27 of the Code of Federal Regulations.

14 (B) A licensee shall be in compliance with the provisions of
15 paragraph (17) of subdivision (b) if he or she maintains and makes
16 available for inspection during business hours to any peace officer,
17 authorized local law enforcement employee, or Department of
18 Justice employee designated by the Attorney General, upon the
19 presentation of proper identification, the bound book containing
20 the same information referred to in Section 178.124a and
21 subdivision (e) of Section 178.125 of Title 27 of the Code of
22 Federal Regulations and the records referred to in subdivision (a)
23 of Section 178.124 of Title 27 of the Code of Federal Regulations.

24 (d) Upon written request from a licensee, the licensing
25 authority may grant an exemption from compliance with the
26 requirements of paragraph (14) of subdivision (b) if the licensee
27 is unable to comply with those requirements because of local
28 ordinances, covenants, lease conditions, or similar circumstances
29 not under the control of the licensee.

30 (e) (1) Except as otherwise provided in this subdivision, the
31 Department of Justice shall keep a centralized list of all persons
32 licensed pursuant to subparagraphs (A) to (E), inclusive, of
33 paragraph (1) of subdivision (a).

34 (2) The department may impose a fine not to exceed one
35 thousand dollars (\$1,000) for a first violation, or a fine not to
36 exceed two thousand dollars (\$2,000) for a second or subsequent
37 violation of this section. *Failure to pay the required fine shall*
38 *result in the removal of the firearms dealer from the centralized list*
39 *of firearms dealers.* The fines authorized by this paragraph may be
40 imposed irrespective of any other remedy or penalty that may be

applicable, and nothing in this paragraph shall be construed to limit or displace the application of any other remedy or penalty for violation of this section that may be applicable pursuant to law. Fines collected pursuant to this paragraph shall be deposited in the Dealer's Record of Sale Special Account, as established pursuant to Section 12076.

(3) The department may remove from this list any person who knowingly or with gross negligence violates this article. Upon removal of a dealer from this list, notification shall be provided to local law enforcement and licensing authorities in the jurisdiction where the dealer's business is located. The department shall make information about an individual dealer available, upon request, for one of the following purposes only:

(A) For law enforcement purposes.

(B) When the information is requested by a person licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code for determining the validity of the license for firearm shipments.

(C) When information is requested by a person promoting, sponsoring, operating, or otherwise organizing a show or event as defined in Section 178.100 of Title 27 of the Code of Federal Regulations, or its successor, who possesses a valid certificate of eligibility issued pursuant to Section 12071.1, if that information is requested by the person to determine the eligibility of a prospective participant in a gun show or event to conduct transactions as a firearms dealer pursuant to subparagraph (B) of paragraph (1) of subdivision (b). Information provided pursuant to this paragraph shall be limited to information necessary to corroborate an individual's current license status.

(f) Paragraph (14) or (15) of subdivision (b) shall not apply to a licensee organized as a nonprofit public benefit or mutual benefit corporation organized pursuant to Part 2 (commencing with Section 5110) or Part 3 (commencing with Section 7110) of Division 2 of the Corporations Code, if both of the following conditions are satisfied:

(1) The nonprofit public benefit or mutual benefit corporation obtained the dealer's license solely and exclusively to assist that corporation or local chapters of that corporation in conducting auctions or similar events at which firearms are auctioned off to

1 fund the activities of that corporation or the local chapters of the
2 corporation.

3 (2) The firearms are not pistols, revolvers, or other firearms
4 capable of being concealed upon the person.

5 SEC. 2. Section 12071.2 is added to the Penal Code, to read:

6 12071.2. (a) (1) The Department of Justice may, for dealers
7 licensed pursuant to Section 12071, inspect the records, each place
8 of business listed in any license issued pursuant to Section 12071,
9 and any authorized firearms storage facility of the dealer, to ensure
10 compliance with Title 2 (commencing with Section 12000) of Part
11 4.

12 (2) Each licensee shall pay an *annual* inspection fee, not to
13 exceed ~~two hundred fifty dollars (\$250) per year~~ *eighty-five*
14 *dollars (\$85) to cover the reasonable costs of maintaining the list*
15 *described in Section 12071, including the cost of inspections*, for
16 each location at which the licensee is licensed to sell or store
17 firearms, to cover the costs of inspections ~~and the costs of~~
18 ~~enforcement activities, including but not limited to, review of~~
19 ~~records, citizen complaints, conducting regulatory compliance~~
20 ~~and criminal investigations, pursuing criminal prosecutions~~, and
21 to otherwise ensure compliance with the provisions of Title 2
22 (commencing with Section 12000) of Part 4.

23 *The department may assess an additional annual fee, not to*
24 *exceed twenty-five dollars (\$25), on those entities licensed*
25 *pursuant to this section to cover the reasonable cost of enforcement*
26 *activities, including, but not limited to, review of records, citizens*
27 *complaints, conducting criminal investigations, and pursuing*
28 *criminal prosecutions. It is the intent of the Legislature that three*
29 *dollars (\$3) is to be made available from the General Fund to the*
30 *Department of Justice for each dollar in fees collected under this*
31 *paragraph.*

32 (3) Each licensee, whose place of business is in a jurisdiction
33 that has adopted an inspection program to ensure compliance with
34 firearms law shall be exempt from that portion of the department's
35 inspection fee that relates to the cost of inspections *if the local*
36 *inspection program is at least as comprehensive as the inspection*
37 *program conducted by the department*. The licensee is responsible
38 for providing evidence to the department that the jurisdiction
39 where the business is located has the inspection program.

(4) Where the department finds it necessary to make a second or subsequent inspection of a licensee within any 12-month period to ensure corrective action has been taken by the licensee, the department may charge the licensee a reasonable fee for the second or subsequent inspection, not to exceed the cost of the inspection.

~~(b) (1) Each permittee or licensee, who holds one or more permits or licenses issued pursuant to Section 12086, 12095, 12230, 12286, 12287, or 12305 shall pay an inspection fee, not to exceed two hundred fifty dollars (\$250) per year to cover the costs of inspections and enforcement activities, including, but not limited to, review of records, citizen complaints, conducting regulatory compliance and criminal investigations, pursuing criminal prosecutions, and to otherwise ensure compliance with the provisions of Title 2 (commencing with Section 12000) of Part 4. Where a permittee or licensee holds more than one permit or license specified in this subdivision, the total inspection fees for each permit and license shall not exceed two hundred fifty dollars (\$250) in the aggregate.~~

~~(2)~~

~~(b) The department may inspect the records and each permitted or licensed place of business facilities of each place of business permitted or licensed pursuant to Section 12086, 12095, 12230, 12286, 12287, or 12305 and authorized storage facility for firearms or destructive devices of the permittee or licensee to ensure compliance with the provisions of Title 2 (commencing with Section 12000) of Part 4.~~

(c) The funds collected for the inspection fees pursuant to this section shall be deposited in the Dealer's Record of Sale Special Account, as established pursuant to Section 12076.

(d) The inspection fees assessed pursuant to this section may be increased annually at a rate not to exceed any increase in the California Consumer Price Index as reflected by the most recent compilation and report by the California Department of Industrial Relations.

(e) The inspection fees assessed pursuant to this subdivision may not exceed the amount necessary to cover the costs of the activities specified in subdivisions (a) and (b).

(f) The department shall maintain and make available upon request, information concerning the number of inspections conducted and the amount of fees collected pursuant to

1 subdivision (a), a listing of exempted jurisdictions, as defined in
2 subdivision (a), the number of dealers removed from the
3 centralized list as defined in subdivision (e) of Section 12071, and
4 the number of dealers found to have violated this article with
5 knowledge or gross negligence.

6 (g) Where the department finds it necessary to make a second
7 or subsequent inspection of a dealer within any 12-month period
8 to ensure corrective action has been taken by the dealer, the
9 department may charge the dealer a reasonable fee for the second
10 or subsequent inspection. The fee assessed pursuant to this
11 subdivision may not exceed the cost of the second or subsequent
12 inspection.

13 SEC. 3. Section 12076 of the Penal Code is amended to read:
14 12076. (a) (1) Before January 1, 1998, the department shall
15 determine the method by which a dealer shall submit firearm
16 purchaser information to the department and the information shall
17 be in one of the following formats:

18 (A) Submission of the register described in Section 12077.

19 (B) Electronic or telephonic transfer of the information
20 contained in the register described in Section 12077.

21 (2) On or after January 1, 1998, electronic or telephonic
22 transfer, including voice or facsimile transmission, shall be the
23 exclusive means by which purchaser information is transmitted to
24 the department.

25 (b) (1) Where the register is used, the purchaser of any firearm
26 shall be required to present clear evidence of his or her identity and
27 age, as defined in Section 12071, to the dealer, and the dealer shall
28 require him or her to sign his or her current legal name and affix
29 his or her residence address and date of birth to the register in
30 quadruplicate. The salesperson shall affix his or her signature to
31 the register in quadruplicate as a witness to the signature and
32 identification of the purchaser. Any person furnishing a fictitious
33 name or address or knowingly furnishing any incorrect
34 information or knowingly omitting any information required to be
35 provided for the register and any person violating any provision of
36 this section is guilty of a misdemeanor.

37 (2) The original of the register shall be retained by the dealer
38 in consecutive order. Each book of 50 originals shall become the
39 permanent register of transactions that shall be retained for not less
40 than three years from the date of the last transaction and shall be

1 available for the inspection of any peace officer, Department of
2 Justice employee designated by the Attorney General, or agent of
3 the federal Bureau of Alcohol, Tobacco, and Firearms upon the
4 presentation of proper identification, but no information shall be
5 compiled therefrom regarding the purchasers or other transferees
6 of firearms that are not pistols, revolvers, or other firearms capable
7 of being concealed upon the person.

8 (3) Two copies of the original sheet of the register, on the date
9 of the application to purchase, shall be placed in the mail, postage
10 prepaid, and properly addressed to the Department of Justice in
11 Sacramento.

12 (4) If requested, a photocopy of the original shall be provided
13 to the purchaser by the dealer.

14 (5) If the transaction is one conducted pursuant to Section
15 12082, a photocopy of the original shall be provided to the seller
16 by the dealer, upon request.

17 (c) (1) Where the electronic or telephonic transfer of applicant
18 information is used, the purchaser shall be required to present clear
19 evidence of his or her identity and age, as defined in Section
20 12071, to the dealer, and the dealer shall require him or her to sign
21 his or her current legal name to the record of electronic or
22 telephonic transfer. The salesperson shall affix his or her signature
23 to the record of electronic or telephonic transfer as a witness to the
24 signature and identification of the purchaser. Any person
25 furnishing a fictitious name or address or knowingly furnishing
26 any incorrect information or knowingly omitting any information
27 required to be provided for the electronic or telephone transfer and
28 any person violating any provision of this section is guilty of a
29 misdemeanor.

30 (2) The record of applicant information shall be transmitted to
31 the Department of Justice in Sacramento by electronic or
32 telephonic transfer on the date of the application to purchase.

33 (3) The original of each record of electronic or telephonic
34 transfer shall be retained by the dealer in consecutive order. Each
35 original shall become the permanent record of the transaction that
36 shall be retained for not less than three years from the date of the
37 last transaction and shall be provided for the inspection of any
38 peace officer, Department of Justice employee designated by the
39 Attorney General, or agent of the federal Bureau of Alcohol,
40 Tobacco, and Firearms, upon the presentation of proper

1 identification, but no information shall be compiled therefrom
2 regarding the purchasers or other transferees of firearms that are
3 not pistols, revolvers, or other firearms capable of being concealed
4 upon the person.

5 (4) If requested, a copy of the record of electronic or telephonic
6 transfer shall be provided to the purchaser by the dealer.

7 (5) If the transaction is one conducted pursuant to Section
8 12082, a copy shall be provided to the seller by the dealer, upon
9 request.

10 (d) (1) The department shall examine its records, as well as
11 those records that it is authorized to request from the State
12 Department of Mental Health pursuant to Section 8104 of the
13 Welfare and Institutions Code, in order to determine if the
14 purchaser is a person described in Section 12021, 12021.1, or
15 subparagraph (A) of paragraph (9) of subdivision (a) of Section
16 12072 of this code or Section 8100 or 8103 of the Welfare and
17 Institutions Code.

18 (2) To the extent that funding is available, the Department of
19 Justice may participate in the National Instant Criminal
20 Background Check System (NICS), as described in subsection (t)
21 of Section 922 of Title 18 of the United States Code, and, if that
22 participation is implemented, shall notify the dealer and the chief
23 of the police department of the city or city and county in which the
24 sale was made, or if the sale was made in a district in which there
25 is no municipal police department, the sheriff of the county in
26 which the sale was made, that the purchaser is a person prohibited
27 from acquiring a firearm under federal law.

28 (3) If the department determines that the purchaser is a person
29 described in Section 12021, 12021.1, or subparagraph (A) of
30 paragraph (9) of subdivision (a) of Section 12072 of this code or
31 Section 8100 or 8103 of the Welfare and Institutions Code, it shall
32 immediately notify the dealer and the chief of the police
33 department of the city or city and county in which the sale was
34 made, or if the sale was made in a district in which there is no
35 municipal police department, the sheriff of the county in which the
36 sale was made, of that fact.

37 (4) If the department determines that the copies of the register
38 submitted to it pursuant to paragraph (3) of subdivision (b) contain
39 any blank spaces or inaccurate, illegible, or incomplete
40 information, preventing identification of the purchaser or the



1 pistol, revolver, or other firearm to be purchased, or if any fee
2 required pursuant to subdivision (e) is not submitted by the dealer
3 in conjunction with submission of copies of the register, the
4 department may notify the dealer of that fact. Upon notification by
5 the department, the dealer shall submit corrected copies of the
6 register to the department, or shall submit any fee required
7 pursuant to subdivision (e), or both, as appropriate and, if
8 notification by the department is received by the dealer at any time
9 prior to delivery of the firearm to be purchased, the dealer shall
10 withhold delivery until the conclusion of the waiting period
11 described in Sections 12071 and 12072.

12 (5) If the department determines that the information
13 transmitted to it pursuant to subdivision (c) contains inaccurate or
14 incomplete information preventing identification of the purchaser
15 or the pistol, revolver, or other firearm capable of being concealed
16 upon the person to be purchased, or if the fee required pursuant to
17 subdivision (e) is not transmitted by the dealer in conjunction with
18 transmission of the electronic or telephonic record, the department
19 may notify the dealer of that fact. Upon notification by the
20 department, the dealer shall transmit corrections to the record of
21 electronic or telephonic transfer to the department, or shall
22 transmit any fee required pursuant to subdivision (e), or both, as
23 appropriate, and if notification by the department is received by
24 the dealer at any time prior to delivery of the firearm to be
25 purchased, the dealer shall withhold delivery until the conclusion
26 of the waiting period described in Sections 12071 and 12072.

27 (e) The Department of Justice may require the dealer to charge
28 each firearm purchaser a fee not to exceed fourteen dollars (\$14),
29 except that the fee may be increased at a rate not to exceed any
30 increase in the California Consumer Price Index as compiled and
31 reported by the California Department of Industrial Relations. The
32 fee shall be no more than is sufficient to reimburse all of the
33 following, and is not to be used to directly fund or as a loan to fund
34 any other program:

35 (1) (A) The department for the cost of furnishing this
36 information.

37 (B) The department for the cost of meeting its obligations
38 under paragraph (2) of subdivision (b) of Section 8100 of the
39 Welfare and Institutions Code.

1 (2) Local mental health facilities for state-mandated local costs
2 resulting from the reporting requirements imposed by Section
3 8103 of the Welfare and Institutions Code.

4 (3) The State Department of Mental Health for the costs
5 resulting from the requirements imposed by Section 8104 of the
6 Welfare and Institutions Code.

7 (4) Local mental hospitals, sanitariums, and institutions for
8 state-mandated local costs resulting from the reporting
9 requirements imposed by Section 8105 of the Welfare and
10 Institutions Code.

11 (5) Local law enforcement agencies for state-mandated local
12 costs resulting from the notification requirements set forth in
13 subdivision (a) of Section 6385 of the Family Code.

14 (6) Local law enforcement agencies for state-mandated local
15 costs resulting from the notification requirements set forth in
16 subdivision (c) of Section 8105 of the Welfare and Institutions
17 Code.

18 (7) For the actual costs associated with the electronic or
19 telephonic transfer of information pursuant to subdivision (c).

20 (8) The Department of Food and Agriculture for the costs
21 resulting from the notification provisions set forth in Section
22 5343.5 of the Food and Agricultural Code.

23 (9) The department for the costs associated with subparagraph
24 (D) of paragraph (2) of subdivision (f) of Section 12072.

25 The fee established pursuant to this subdivision shall not exceed
26 the sum of the actual processing costs of the department, the
27 estimated reasonable costs of the local mental health facilities for
28 complying with the reporting requirements imposed by paragraph
29 (2) of this subdivision, the costs of the State Department of Mental
30 Health for complying with the requirements imposed by paragraph
31 (3) of this subdivision, the estimated reasonable costs of local
32 mental hospitals, sanitariums, and institutions for complying with
33 the reporting requirements imposed by paragraph (4) of this
34 subdivision, the estimated reasonable costs of local law
35 enforcement agencies for complying with the notification
36 requirements set forth in subdivision (a) of Section 6385 of the
37 Family Code, the estimated reasonable costs of local law
38 enforcement agencies for complying with the notification
39 requirements set forth in subdivision (c) of Section 8105 of the
40 Welfare and Institutions Code imposed by paragraph (6) of this

subdivision, the estimated reasonable costs of the Department of Food and Agriculture for the costs resulting from the notification provisions set forth in Section 5343.5 of the Food and Agricultural Code, and the estimated reasonable costs of the department for the costs associated with subparagraph (D) of paragraph (2) of subdivision (f) of Section 12072.

(f) (1) The Department of Justice may charge a fee sufficient to reimburse it for each of the following but not to exceed fourteen dollars (\$14), except that the fee may be increased at a rate not to exceed any increase in the California Consumer Price Index as compiled and reported by the California Department of Industrial Relations:

(A) For the actual costs associated with the preparation, sale, processing, and filing of forms or reports required or utilized pursuant to Section 12078 if neither a dealer nor a law enforcement agency acting pursuant to Section 12084 is filing the form or report.

(B) For the actual processing costs associated with the submission of a ~~Dealers'~~ *Dealer's* Record of Sale to the department by a dealer or of the submission of a LEFT to the department by a law enforcement agency acting pursuant to Section 12084 if the waiting period described in Sections 12071, 12072, and 12084 does not apply.

(C) For the actual costs associated with the preparation, sale, processing, and filing of reports utilized pursuant to subdivision (l) of Section 12078 or paragraph (18) of subdivision (b) of Section 12071, or clause (i) of subparagraph (A) of paragraph (2) of subdivision (f) of Section 12072, or paragraph (3) of subdivision (f) of Section 12072.

(D) For the actual costs associated with the electronic or telephonic transfer of information pursuant to subdivision (c).

(2) If the department charges a fee pursuant to subparagraph (B) of paragraph (1) of this subdivision, it shall be charged in the same amount to all categories of transaction that are within that subparagraph.

(3) Any costs incurred by the Department of Justice to implement this subdivision shall be reimbursed from fees collected and charged pursuant to this subdivision. No fees shall be charged to the dealer pursuant to subdivision (e) or to a law enforcement agency acting pursuant to paragraph (6) of

1 subdivision (d) of Section 12084 for costs incurred for
2 implementing this subdivision.

3 (g) All money received by the department pursuant to this
4 section shall be deposited in the ~~Dealers'~~ Dealer's Record of Sale
5 Special Account of the General Fund, which is hereby created, to
6 be available, upon appropriation by the Legislature, for
7 expenditure by the department to offset the costs incurred pursuant
8 to this section, Section 12071.2, subparagraph (D) of paragraph
9 (2) of subdivision (f) of Section 12072, and Sections 12289 and
10 12809.

11 (h) Where the electronic or telephonic transfer of applicant
12 information is used, the department shall establish a system to be
13 used for the submission of the fees described in subdivision (e) to
14 the department.

15 (i) (1) Only one fee shall be charged pursuant to this section for
16 a single transaction on the same date for the sale of any number of
17 firearms that are not pistols, revolvers, or other firearms capable
18 of being concealed upon the person or for the taking of possession
19 of those firearms.

20 (2) In a single transaction on the same date for the delivery of
21 any number of firearms that are pistols, revolvers, or other
22 firearms capable of being concealed upon the person, the
23 department shall charge a reduced fee pursuant to this section for
24 the second and subsequent firearms that are part of that transaction.

25 (j) Only one fee shall be charged pursuant to this section for a
26 single transaction on the same date for taking title or possession of
27 any number of firearms pursuant to paragraph (18) of subdivision
28 (b) of Section 12071 or subdivision (c) or (i) of Section 12078.

29 (k) Whenever the Department of Justice acts pursuant to this
30 section as it pertains to firearms other than pistols, revolvers, or
31 other firearms capable of being concealed upon the person, the
32 department's acts or omissions shall be deemed to be discretionary
33 within the meaning of the California Tort Claims Act pursuant to
34 Division 3.6 (commencing with Section 810) of Title 1 of the
35 Government Code.

36 (l) As used in this section, the following definitions apply:

37 (1) "Purchaser" means the purchaser or transferee of a firearm
38 or a person being loaned a firearm.

39 (2) "Purchase" means the purchase, loan, or transfer of a
40 firearm.

1 (3) “Sale” means the sale, loan, or transfer of a firearm.

2 (4) “Seller” means, if the transaction is being conducted
3 pursuant to Section 12082, the person selling, loaning, or
4 transferring the firearm.

5 SEC. 4. Section 12086 of the Penal Code is amended to read:

6 12086. (a) (1) As used in this section, “licensee” means a
7 person, firm, or corporation that satisfies both of the following:

8 (A) Has a license issued pursuant to paragraph (2) of
9 subdivision (b).

10 (B) Is among those recorded in the centralized list specified in
11 subdivision (f).

12 (2) As used in this section, “department” means the
13 Department of Justice.

14 (b) (1) The Department of Justice shall accept applications for,
15 and shall grant licenses permitting, the manufacture of firearms
16 within this state. The department shall inform applicants who are
17 denied licenses of the reasons for the denial in writing.

18 (2) No license shall be granted by the department unless and
19 until the applicant presents proof that he or she has all of the
20 following:

21 (A) A valid license to manufacture firearms issued pursuant to
22 Chapter 44 (commencing with Section 921) of Title 18 of the
23 United States Code.

24 (B) Any regulatory or business license, or licenses, required by
25 local government.

26 (C) A valid seller’s permit or resale certificate issued by the
27 State Board of Equalization, if applicable.

28 (D) A certificate of eligibility issued by the Department of
29 Justice pursuant to paragraph (4) of subdivision (a) of Section
30 12071.

31 (3) (A) The department may inspect firearms manufacturers
32 licensed pursuant to this section to ensure compliance with Title
33 2 (commencing with Section 12000) of Part 4.

34 (B) The department shall adopt regulations to administer this
35 section and Section 12085 and shall recover the full costs of
36 administering the program by collecting fees from license
37 applicants.

38 ~~(C) Each licensee shall pay an inspection fee, not to exceed two~~
39 ~~hundred fifty dollars (\$250) per year, to cover costs that include,~~
40 ~~but are not limited to, the costs of inspections, the costs of~~

1 ~~enforcement activities, and the costs of maintaining a centralized~~
2 ~~list of licensed firearm manufacturers.~~

3 *The department may assess an additional annual fee, not to*
4 *exceed twenty-five dollars (\$25), on those entities licensed*
5 *pursuant to this section to cover the reasonable cost of enforcement*
6 *activities. It is the intent of the Legislature that three dollars (\$3)*
7 *is to be made available from the General Fund to the Department*
8 *of Justice for each dollar in fees collected from entities licensed*
9 *under this paragraph.*

10 ~~(D)~~

11 (C) The inspection fee for licensed manufacturers who produce
12 fewer than 500 firearms in a calendar year within this state shall
13 not exceed two hundred fifty dollars (\$250) per year or the actual
14 costs of inspections, ~~the costs of enforcement activities,~~ and the
15 costs of maintaining a centralized list of firearm manufacturers
16 and any other duties of the department required pursuant to this
17 section and Section 12085, whichever is less.

18 ~~(E)–~~

19 *The department may assess an additional annual fee, not to*
20 *exceed twenty-five dollars (\$25), on those entities licensed*
21 *pursuant to this section to cover the reasonable cost of enforcement*
22 *activities. It is the intent of the Legislature that three dollars (\$3)*
23 *is to be made available from the General Fund to the Department*
24 *of Justice for each dollar in fees collected from entities licensed*
25 *under this paragraph.*

26 (D) The funds collected for the inspection fees shall be
27 deposited in the Dealer's Record of Sale Special Account, as
28 established pursuant to Section 12076.

29 (4) A license granted by the department shall be valid for no
30 more than one year from the date of issuance and shall be in the
31 form prescribed by the Attorney General.

32 (c) A licensee shall comply with the following prohibitions and
33 requirements:

34 (1) The business shall be conducted only in the buildings
35 designated in the license.

36 (2) The license or a copy thereof, certified by the department,
37 shall be displayed on the premises where it can easily be seen.

38 (3) Whenever a licensee discovers that a firearm has been
39 stolen or is missing from the licensee's premises, the licensee shall

1 report the loss or theft within 48 hours of the discovery to all of the
2 following:

3 (A) The Department of Justice, in a manner prescribed by the
4 department.

5 (B) The federal Bureau of Alcohol, Tobacco, and Firearms.

6 (C) The police department in the city or city and county where
7 the building designated in the license is located.

8 (D) If there is no police department in the city or city and
9 county where the building designated in the license is located, the
10 sheriff of the county where the building designated in the license
11 is located.

12 (4) (A) The licensee shall require that each employee obtain a
13 certificate of eligibility pursuant to paragraph (4) of subdivision
14 (a) of Section 12071, which shall be renewed annually, prior to
15 being allowed to come into contact with any firearm.

16 (B) The licensee shall prohibit any employee who the licensee
17 knows or reasonably should know is within a class of persons
18 prohibited from possessing firearms pursuant to Section 12021 or
19 12021.1 of this code, or Section 8100 or 8103 of the Welfare and
20 Institutions Code, from coming into contact with any firearm.

21 (5) (A) Each firearm the licensee manufactures in this state
22 shall be identified with a unique serial number stamped onto the
23 firearm utilizing the method of compression stamping.

24 (B) Licensed manufacturers who produce fewer than 500
25 firearms in a calendar year within this state may serialize long guns
26 only by utilizing a method of compression stamping or by
27 engraving the serial number onto the firearm.

28 (C) The licensee shall stamp the serial number onto the firearm
29 within one business day of the time the receiver or frame is
30 manufactured.

31 (D) The licensee shall not use the same serial number for more
32 than one firearm.

33 (6) (A) The licensee shall record the type, model, caliber, or
34 gauge, and serial number of each firearm manufactured or
35 acquired, and the date of the manufacture or acquisition, within
36 one business day of the manufacture or acquisition.

37 (B) The licensee shall maintain permanently within the
38 building designated in the license the records required pursuant to
39 subparagraph (A).

(C) Backup copies of the records described in subparagraph (A), whether electronic or hard copy, shall be made at least once a month. These backup records shall be maintained in a facility separate from the one in which the primary records are stored.

(7) (A) The licensee shall allow the department to inspect the building designated in the license to ensure compliance with the requirements of this section.

(B) The licensee shall allow any peace officer, authorized law enforcement employee, or Department of Justice employee designated by the Attorney General, upon the presentation of proper identification, to inspect facilities and records during business hours to ensure compliance with the requirements of this section.

(8) The licensee shall store in a secure facility all firearms manufactured and all barrels for firearms manufactured.

(9) (A) The licensee shall notify the chief of police or other head of the municipal police department in the city or city and county where the building designated in the license is located that the licensee is manufacturing firearms within that city or city and county and the location of the licensed premises.

(B) If there is no police department in the city or city and county where the building designated in the license is located, the licensee shall notify the sheriff of the county where the building designated in the license is located that the licensee is manufacturing firearms within that county and the location of the licensed premises.

(10) For at least 10 years, the licensee shall maintain records of all firearms that are lost or stolen, as prescribed by the department.

(d) Except as otherwise provided in subdivision (e), as used in this section, a “secure facility” means that the facility satisfies all of the following:

(1) The facility is equipped with a burglar alarm with central monitoring.

(2) All perimeter entries to areas in which firearms are stored other than doors, including windows and skylights, are secured with steel window guards or an audible, silent, or sonic alarm to detect entry.

(3) All perimeter doorways are designed in one of the following ways:

(A) A windowless steel security door equipped with both a dead bolt and a doorknob lock.

1 (B) A windowed metal door equipped with both a dead bolt and
2 a doorknob lock. If the window has an opening of five inches or
3 more measured in any direction, the window is covered with steel
4 bars of at least one-half inch diameter or metal grating of at least
5 nine gauge affixed to the exterior or interior of the door.

6 (C) A metal grate that is padlocked and affixed to the licensee's
7 premises independent of the door and doorframe.

8 (D) Hinges and hasps attached to doors by welding, riveting, or
9 bolting with nuts on the inside of the door.

10 (E) Hinges and hasps installed so that they cannot be removed
11 when the doors are closed and locked.

12 (4) Heating, ventilating, air-conditioning, and service
13 openings are secured with steel bars, metal grating, or an alarm
14 system.

15 (5) No perimeter metal grates are capable of being entered by
16 any person.

17 (6) Steel bars used to satisfy the requirements of this
18 subdivision are not capable of being entered by any person.

19 (7) Perimeter walls of rooms in which firearms are stored are
20 constructed of concrete or at least 10-gauge expanded steel wire
21 mesh utilized along with typical wood frame and drywall
22 construction. If firearms are not stored in a vault, the facility shall
23 use an exterior security-type door along with a high security,
24 single-key dead bolt, or other door that is more secure. All firearms
25 shall be stored in a separate room away from any general living
26 area or work area. Any door to the storage facility shall be locked
27 while unattended.

28 (8) Perimeter doorways, including the loading dock area, are
29 locked at all times when not attended by paid employees or
30 contracted employees, including security guards.

31 (9) Except when a firearm is currently being tested, any
32 ammunition on the premises is removed from all manufactured
33 guns and stored in a separate and locked room, cabinet, or box
34 away from the storage area for the firearms. Ammunition may be
35 stored with a weapon only in a locked safe.

36 (e) For purposes of this section, any licensed manufacturer who
37 produces fewer than 500 firearms in a calendar year within this
38 state may maintain a "secure facility" by complying with all of the
39 requirements described in subdivision (d), or may design a

1 security plan that is approved by the Department of Justice or the
2 federal Bureau of Alcohol, Tobacco, and Firearms.

3 (1) If a security plan is approved by the federal Bureau of
4 Alcohol, Tobacco, and Firearms, the approved plan, along with
5 proof of approval, shall be filed with the Department of Justice and
6 the local police department. If there is no police department, the
7 filing shall be with the county sheriff's office.

8 (2) If a security plan is approved by the Department of Justice,
9 the approved plan, along with proof of approval, shall be filed with
10 the local police department. If there is no police department, the
11 filing shall be with the county sheriff's office.

12 (f) (1) Except as otherwise provided in this subdivision, the
13 Department of Justice shall maintain a centralized list of all
14 persons licensed pursuant to paragraph (2) of subdivision (b). The
15 centralized list shall be provided annually to each police
16 department and county sheriff within the state.

17 (2) Except as provided in paragraph (3), the license of any
18 licensee who violates this section may be revoked, or the
19 department may impose a fine not to exceed one thousand dollars
20 (\$1,000) for a first violation, or a fine not to exceed two thousand
21 dollars (\$2,000) for a second or subsequent violation. *Failure to*
22 *pay the required fine shall result in revocation of the license or*
23 *permit.* The fines authorized by this paragraph may be imposed
24 irrespective of any other remedy or penalty that may be applicable,
25 and nothing in this paragraph shall be construed to limit or displace
26 the application of any other remedy or penalty for violation of this
27 section that may be applicable pursuant to law. The funds collected
28 from these fines shall be deposited in the Dealer's Record of Sale
29 Special Account, as established pursuant to Section 12076.

30 (3) The license of any licensee who knowingly or with gross
31 negligence violates this section or violates this section three times
32 shall be revoked, and that person, firm, or corporation shall
33 become permanently ineligible to obtain a license pursuant to this
34 section.

35 (g) (1) Upon the revocation of the license, notification shall be
36 provided to local law enforcement authorities in the jurisdiction
37 where the licensee's business is located and to the federal Bureau
38 of Alcohol, Tobacco, and Firearms.



(2) The department shall make information concerning the location and name of a licensee available, upon request, for the following purposes only:

(A) Law enforcement.

(B) When the information is requested by a person licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code for determining the validity of the license for firearm shipments.

(3) Notwithstanding paragraph (2), the department shall make the name and business address of a licensee available to any person upon written request.

(h) The Department of Justice shall maintain and make available upon request information concerning the number of inspections conducted and the amount of fees collected pursuant to paragraph (3) of subdivision (b), the number of licensees removed from the centralized list described in subdivision (f), and the number of licensees found to have violated this section.

SEC. 5. *Section 12096 of the Penal Code is amended to read:*

12096. Applications for permits shall be filed in writing, signed by the applicant if an individual, or by a member or officer qualified to sign if the applicant is a firm or corporation, and shall state the name, business in which engaged, business address, and a full description of the use to which the short-barreled shotguns or short-barreled rifles are to be put.

Applications and permits shall be uniform throughout the state on forms prescribed by the Department of Justice.

Each applicant for a permit shall pay at the time of filing his or her application a fee determined by the Department of Justice not to exceed the application processing costs of the Department of Justice. A permit granted pursuant to this article may be renewed one year from the date of issuance, and annually thereafter, upon the filing of a renewal application and the payment of a permit renewal fee not to exceed the application processing costs of the Department of Justice. After the department establishes fees sufficient to reimburse the department for processing costs, fees charged shall increase at a rate not to exceed the legislatively approved annual cost-of-living adjustments for the department's budget.

The department may assess an additional annual fee, not to exceed twenty-five dollars (\$25), on those entities licensed

1 pursuant to this section to cover the reasonable cost of enforcement
2 activities. It is the intent of the Legislature that three dollars (\$3)
3 is to be made available from the General Fund to the Department
4 of Justice for each dollar in fees collected from entities licensed
5 under this section.

6 SEC. 6. Section 12098 of the Penal Code is amended to read:

7 12098. (a) Permits issued in accordance with this article may
8 be revoked by the issuing authority at any time when it appears that
9 the need for the short-barreled shotguns or short-barreled rifles has
10 ceased or that the holder of the permit has used the short-barreled
11 shotguns or short-barreled rifles for purposes other than those
12 allowed by the permit or that the holder of the permit has not
13 exercised great care in retaining custody of any weapons possessed
14 under the permit.

15 (b) The department may impose a fine not to exceed one
16 thousand dollars (\$1,000) for a first violation, or a fine not to
17 exceed two thousand dollars (\$2,000) for a second or subsequent
18 violation, of this article. *Failure to pay the required fine shall result*
19 *in the revocation of the license or permit.* The fines authorized by
20 this subdivision may be imposed irrespective of any other remedy
21 or penalty that may be applicable pursuant to law, and nothing in
22 this subdivision shall be construed to limit or displace the
23 application of any other remedy or penalty for violation of this
24 article that may be applicable pursuant to law. The funds collected
25 from these fines shall be deposited in the Dealer's Record of Sale
26 Special Account, as established pursuant to Section 12076.

27 ~~SEC. 6.—~~

28 SEC. 7. Section 12231 of the Penal Code is amended to read:

29 12231. Applications for permits shall be filed in writing,
30 signed by the applicant if an individual, or by a member or officer
31 qualified to sign if the applicant is a firm or corporation, and shall
32 state the name, business in which engaged, business address and
33 a full description of the use to which the firearms are to be put.

34 Applications and permits shall be uniform throughout the state
35 on forms prescribed by the Department of Justice.

36 Each applicant for a permit shall pay at the time of filing his or
37 her application a fee determined by the Department of Justice not
38 to exceed the application processing costs of the Department of
39 Justice. A permit granted pursuant to this article may be renewed
40 one year from the date of issuance, and annually thereafter, upon

1 the filing of a renewal application and the payment of a permit
2 renewal fee not to exceed the application processing costs of the
3 Department of Justice. After the department establishes fees
4 sufficient to reimburse the department for processing costs, fees
5 charged shall increase at a rate not to exceed the legislatively
6 approved annual cost-of-living adjustments for the department's
7 budget.

8 *The department may assess an additional annual fee, not to*
9 *exceed twenty-five dollars (\$25), on those entities licensed*
10 *pursuant to this section to cover the reasonable cost of enforcement*
11 *activities. It is the intent of the Legislature that three dollars (\$3)*
12 *is to be made available from the General Fund to the Department*
13 *of Justice for each dollar in fees collected from entities licensed*
14 *under this section.*

15 SEC. 8. Section 12233 of the Penal Code is amended to read:

16 12233. (a) Permits issued in accordance with this chapter
17 may be revoked by the issuing authority at any time when it
18 appears that the need for the firearms has ceased or that the holder
19 of the permit has used the firearms for purposes other than those
20 allowed by the permit or that the holder of the permit has not
21 exercised great care in retaining custody of any weapons possessed
22 under the permit.

23 (b) The department may impose a fine not to exceed one
24 thousand dollars (\$1,000) for a first violation, or a fine not to
25 exceed two thousand dollars (\$2,000) for a second or subsequent
26 violation, of this chapter. *Failure to pay the required fine shall*
27 *result in the revocation of the license or permit.* The fines
28 authorized by this subdivision may be imposed irrespective of any
29 other remedy or penalty that may be applicable pursuant to law,
30 and nothing in this subdivision shall be construed to limit or
31 displace the application of any other remedy or penalty for
32 violation of this chapter that may be applicable pursuant to law.
33 The funds collected from these fines shall be deposited in the
34 Dealer's Record of Sale Special Account, as established pursuant
35 to Section 12076.

36 ~~SEC. 7.~~

37 SEC. 9. Section 12286 of the Penal Code is amended to read:

38 12286. (a) Any person who lawfully acquired an assault
39 weapon before June 1, 1989, and wishes to use it in a manner
40 different than specified in subdivision (c) of Section 12285, any

1 person who lawfully acquired an assault weapon between June 1,
2 1989, and January 1, 1990, and wishes to keep it after January 1,
3 1990, or any person who wishes to acquire an assault weapon after
4 January 1, 1990, shall first obtain a permit from the Department
5 of Justice in the same manner as specified in Article 3
6 (commencing with Section 12230) of Chapter 2.

7 (b) Permits issued in accordance with this section may be
8 revoked by the issuing authority at any time when it appears that
9 the need for the firearms has ceased or that the holder of the permit
10 has used the firearms for purposes other than those allowed by the
11 permit or that the holder of the permit has not exercised great care
12 in retaining custody of any weapons possessed under the permit.

13 (c) The department may impose a fine not to exceed one
14 thousand dollars (\$1,000) for a first violation, or a fine not to
15 exceed two thousand dollars (\$2,000) for a second or subsequent
16 violation, of this chapter. *Failure to pay the required fine shall*
17 *result in the revocation of the license or permit.* The fines
18 authorized by this subdivision may be imposed irrespective of any
19 other remedy or penalty that may be applicable pursuant to law,
20 and nothing in this subdivision shall be construed to limit or
21 displace the application of any other remedy or penalty for
22 violation of this chapter that may be applicable pursuant to law.
23 The funds collected from these fines shall be deposited in the
24 Dealer's Record of Sale Special Account, as established pursuant
25 to Section 12076.

26 ~~SEC. 8.~~

27 *SEC. 10.* Section 12287 of the Penal Code is amended to read:

28 12287. (a) The Department of Justice may, upon a finding of
29 good cause, issue permits for the manufacture of assault weapons
30 to federally licensed manufacturers of firearms for the sale to,
31 purchase by, or possession of assault weapons by, any of the
32 following:

33 (1) The agencies listed in subdivision (f) of Section 12280.

34 (2) Entities and persons who have been issued permits pursuant
35 to Section 12286.

36 (3) Entities outside the state who have, in effect, a federal
37 firearms dealer's license solely for the purpose of distribution to
38 an entity listed in paragraphs (4) to (6), inclusive.

39 (4) Federal law enforcement and military agencies.

40 (5) Law enforcement and military agencies of other states.

(6) Foreign governments and agencies approved by the United States State Department.

(b) Application for the permits, the keeping and inspection thereof, and the revocation of permits shall be undertaken in the same manner as specified in Article 3 (commencing with Section 12230) of Chapter 2.

(c) Permits issued in accordance with this section may be revoked by the issuing authority at any time when it appears that the need for the firearms has ceased or that the holder of the permit has used the firearms for purposes other than those allowed by the permit or that the holder of the permit has not exercised great care in retaining custody of any weapons possessed under the permit.

(d) The department may impose a fine not to exceed one thousand dollars (\$1,000) for a first violation, or a fine not to exceed two thousand dollars (\$2,000) for a second or subsequent violation, of this chapter. *Failure to pay the required fine shall result in the revocation of the license or permit.* The fines authorized by this subdivision may be imposed irrespective of any other remedy or penalty that may be applicable pursuant to law, and nothing in this subdivision shall be construed to limit or displace the application of any other remedy or penalty for violation of this chapter that may be applicable pursuant to law. The funds collected from these fines shall be deposited in the Dealer's Record of Sale Special Account, as established pursuant to Section 12076.

~~SEC. 9.~~

SEC. 11. Section 12305 of the Penal Code is amended to read:

12305. (a) Every dealer, manufacturer, importer, and exporter of any destructive device, or any motion picture or television studio using destructive devices in the conduct of its business, shall obtain a permit for the conduct of that business from the Department of Justice.

(b) Any person, firm, or corporation not mentioned in subdivision (a) shall obtain a permit from the Department of Justice in order to possess or transport any destructive device. No permit shall be issued to any person who meets any of the following criteria:

(1) Has been convicted of any felony.

(2) Is addicted to the use of any narcotic drug.

1 (3) Is a person in a class prohibited by Section 8100 or 8103 of
2 the Welfare and Institutions Code or Section 12021 or 12021.1 of
3 this code.

4 (c) Applications for permits shall be filed in writing, signed by
5 the applicant if an individual, or by a member or officer qualified
6 to sign if the applicant is a firm or corporation, and shall state the
7 name, business in which engaged, business address and a full
8 description of the use to which the destructive devices are to be put.

9 (d) Applications and permits shall be uniform throughout the
10 state on forms prescribed by the Department of Justice.

11 (e) Each applicant for a permit shall pay at the time of filing his
12 or her application a fee not to exceed the application processing
13 costs of the Department of Justice. A permit granted pursuant to
14 this article may be renewed one year from the date of issuance, and
15 annually thereafter, upon the filing of a renewal application and the
16 payment of a permit renewal fee not to exceed the application
17 processing costs of the Department of Justice. After the
18 department establishes fees sufficient in amount to cover
19 processing costs, the amount of the fees shall only increase at a rate
20 not to exceed the legislatively approved cost-of-living adjustment
21 for the department.

22 *The department may assess an additional annual fee, not to*
23 *exceed twenty-five dollars (\$25), on those entities licensed*
24 *pursuant to this section to cover the reasonable cost of enforcement*
25 *activities. It is the intent of the Legislature that three dollars (\$3)*
26 *is to be made available from the General Fund to the Department*
27 *of Justice for each dollar in fees collected from entities licensed*
28 *under this subdivision.*

29 (f) Permits issued in accordance with this chapter may be
30 revoked by the issuing authority at any time when it appears that
31 the need for the firearms has ceased or that the holder of the permit
32 has used the firearms for purposes other than those allowed by the
33 permit or that the holder of the permit has not exercised great care
34 in retaining custody of any weapons possessed under the permit.

35 (g) The department may impose a fine not to exceed one
36 thousand dollars (\$1,000) for a first violation, or a fine not to
37 exceed two thousand dollars (\$2,000) for a second or subsequent
38 violation, of this chapter. *Failure to pay the required fine shall*
39 *result in the revocation of the license or permit.* The fines
40 authorized by this subdivision may be imposed irrespective of any

1 other remedy or penalty that may be applicable pursuant to law,
2 and nothing in this subdivision shall be construed to limit or
3 displace the application of any other remedy or penalty for
4 violation of this chapter that may be applicable pursuant to law.
5 The funds collected from these fines shall be deposited in the
6 Dealer's Record of Sale Special Account, as established pursuant
7 to Section 12076.

8 *SEC. 12. The department shall report to the Legislature, not*
9 *later than December 31, 2003, on the change in frequency and*
10 *scope of inspections, and the results of those inspections,*
11 *conducted pursuant to these provisions, and on the use of penalties*
12 *and increased revenue to the Dealer's Record of Sale Special*
13 *Account, resulting from increases in fees pursuant to these*
14 *provisions.*

